



LimmatWealth

MEMO

Financial Market Update

| Developed Markets | 2020 YTD | Since Feb 20th | Maximum Drawdown | Return since 2020 Low |
|-------------------|----------|----------------|------------------|-----------------------|
| Switzerland | -5.6% | -10.6% | -26.3% | 21.4% |
| Germany | -9.8% | -13.3% | -38.8% | 41.6% |
| Eurozone | -15.9% | -18.4% | -38.3% | 32.2% |
| United Kingdom | -19.5% | -18.1% | -33.0% | 22.3% |
| United States | -5.6% | -10.2% | -33.9% | 35.9% |
| Japan | -5.7% | -4.7% | -29.3% | 34.8% |

| Emerging Markets | 2020 YTD | Since Feb 20th | Maximum Drawdown | Return since 2020 Low |
|------------------|----------|----------------|------------------|-----------------------|
| Asia ex Japan | -7.5% | -7.1% | -27.2% | 27.6% |
| China | -4.0% | -1.9% | -10.6% | 9.8% |

Source: Limmat Wealth, Bloomberg as of June 12, 2020

The fear of a much-discussed second wave of the COVID-19 pandemic is causing investors to take cover early in the week. China's national health authority today announced skyrocketing new confirmed cases after many weeks of hardly any new infections. The Xinfadi wholesale market for meat, fish, fruits, and vegetables in the south of Beijing is the starting point for the new cases. This market is considered the largest place of transshipment for agricultural products in Asia, which covers up to 80 percent of the food needs of all of Beijing on an area of 157 football fields. It was closed immediately. The virus was discovered on a cutting board on which imported salmon was filleted. In addition to the staff, all people who have visited the market in Beijing's Fengtai district since May 30 must now undergo a test. Concern about a second wave of infections is increasing and some districts of Beijing have reintroduced blocking measures. However, experts consider it unlikely that they will be completely closed off, as was the case in Wuhan at the beginning of the corona crisis.

Investors are also concerned about the increase in the number of confirmed cases in the United States: more than 25,000 new infections were reported on Saturday. More than a dozen states are experiencing an increasing number of new infections every day. However, this is not a second wave, as it is too early. In many states, the spread has not been effectively controlled before the relaxation of economic restrictions has started in recent weeks. California is currently experiencing the most new cases. In April there were on average only 1,300 new infections per day, in June there are twice as many. However, the situation is not quite as dramatic, as part of the increase can be attributed to the fact that testing is being carried out more diligently. According to officials, some districts across the country are on the verge of reintroducing the lockdown. The situation is also unlikely to relax in the short term due to anti-racism protests or planned campaign events.

There are now more than 7.9 million reported COVID-19 cases and 433,000 deaths worldwide. The number of cured patients is now almost 3.8 million.

As mentioned last week, we are rather cautious with regards to equity markets. After the strong recovery over the past months, we recently reduced our equity exposure slightly. Over the summer months, we expect global equity markets to trend sideways before picking up speed again and trending higher towards the end of the year.

The measures that Limmat Wealth took early in this crisis were target-aimed and effective. The safety and health of our customers and employees was guaranteed at all times and Limmat will therefore continue to operate this security system until further notice. We were able to keep our services for our customers fully functional at all times.

Please do not hesitate to contact us if you have any questions.